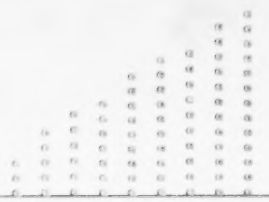
1991-1992 Annual Financial Review



The Annual Report of the Supermarket Companies

FMI
FOOD MARKETING INSTITUTE

1991-1992 ANNUAL FINANCIAL REVIEW

The Annual Report
Of the
Supermarket Industry

Conducted by
Gerke & Associates, Inc.

For the Research Department
Food Marketing Institute
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The Food Marketing Institute (FMI) is a nonprofit association conducting programs in research, education, industry relations and public affairs on behalf of its 1,500 members — food retailers and wholesalers and their customers in the United States and around the world. FMI's domestic member companies operate approximately 19,000 retail food stores with a combined annual sales volume of $190 billion — more than half of all grocery store sales in the United States. FMI's retail membership is composed of large multi-store chains, small regional firms and independent supermarkets. Its international membership includes 250 members from 60 countries.

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EXECUTIVE SUMMARY

The supermarket industry weathered a tough year by keeping operating income above 2.5 percent of sales, reducing interest expenses to 1.25 percent and maximizing asset turnover. Supermarket companies worked hard to maintain a competitive posture by investing heavily in improvements in plant, property and equipment. Some of these improvements were financed by sale of investments, contributing to a decline in non-operating or other income. Were it not for this change in other income and losses in extraordinary items, net earnings would have neared the 1990-91 mark of 0.96 percent. Nevertheless, net income declined to 0.77 percent in 1991-92.

Improvements in two other ratios suggest that the industry's balance sheet is growing stronger. Asset turnover improved to 4.27 in 1991-92, from 3.91 in the previous year. The debt-to-equity ratio declined for the third straight year, dropping from 4.02 to 3.71, indicating that the industry is returning to a higher level of equity financing, recovering from the leveraged buyouts of the late 1980s.

The decline in the debt-to-equity ratio is reflected in the industry's return on equity (ROE) ratio (net profit divided by owner's equity). ROE declined to 15.74 percent from its all time high of 20.16 percent in the previous fiscal year due in part to the rebound in equity financing. During the past two fiscal years the equity portion of the balance sheet dipped below 20 percent. ROE numbers for those fiscal years were at record levels not because of high profits but because of substantially lower numbers on the equity side of the ratio.

The broader measure Return on Assets (ROA) which reflects the total capital necessary to operate a company and is not distorted by changes in financing also declined slightly in 1991-92 from 3.75 percent to 3.29 percent. This change, due to lower net profits, was mitigated somewhat by improved asset turnover.

Other financial measures, including the current ratio, quick ratio and times interest earned, changed little.

The industry's balance sheet also showed reductions in both current assets and current liabilities. The latter decreased in almost all categories. Cash and marketable securities declined as a percentage of assets. Offsetting the reductions in current accounts were increases in property and equipment as well as owner equity.

Net income and depreciation provided most of the cash to purchase plant, property and equipment and to reduce long-term debt. Overall, the industry had about 13 percent less cash at the end of the fiscal year, according to the Consolidated Statement of Cash Flows.

Stockholder equity in the industry increased a healthy 22 percent during the year. Although most of this gain was from net income, a substantial portion came from additional paid-in capital.

This marks the 20th year that the Food Marketing Institute (FMI) has been tracking the industry's financial performance. A retrospective analysis shows that industry profits remained within the 0.50-1.0 range for all but a few of the past 20 years, reaching the highest levels in the mid-1980s. Operating income doubled over this period, while interest expenses increased sharply — a legacy of the mergers, acquisitions and leveraged buyouts of the 1980s.

The goal of the *Annual Financial Review* (the *Review*) is to promote better understanding of the economics and financial structure of the supermarket industry. Gerke & Associates, Inc., prepared this edition for FMI, analyzing the results of a mail survey and public financial reports covering 126 companies and 11,316 supermarkets, representing $158 billion in sales.

KEY FINANCIAL RESULTS

With low inflation, competition and the worst recession in years squeezing industry balance sheets, one would expect a dismal financial picture. Not so. Net income did indeed decline to the lowest level in three years at 0.77 percent of sales. The cause, however, was not operating income nor interest expense. The chief culprits were income from sources other than operations — down from 0.30 percent to 0.12 percent of sales — and losses from extraordinary items — up from 0.01 percent to 0.05 percent.

Were it not for these two weak areas, strong operating income and reduced interest expenses would have propelled net profit up to the 1.0 percent range. Although operating income dropped slightly, the 2.52 percent figure was the second highest in the last five years. The decline in interest expense — from 1.35 percent to 1.25 percent — reflects the industry's reduction of both short-term and long-term debt, along with the lower cost of capital.

The important debt-to-equity ratio improved for the third year in a row, declining to 3.71, from 4.02 in the previous year. It should be noted, however, that ever since 1988 the debt-to-equity ratio has far exceeded historical levels — primarily because of the heavy use of debt (versus equity) financing.

The rebound in equity financing reflected in the debt-to-equity ratio also contributed to the drop in return on equity (ROE). This ratio declined to 15.74 percent from 20.16 percent in the previous year. This reverses a trend that started with the leveraged buyouts of the 1980s, when some of the large publicly traded supermarket companies substituted debt for equity to a major degree. For example, in 1988-89 the equity portion of the balance sheet dipped below 20 percent where it remained until rising to 21.23 percent in 1991-92. ROE numbers for this earlier period reached record levels not because of high profits but because of substantially lower numbers on the equity side of the ratio.

The broader measure of Return on Assets (ROA) refects the total capital necessary to run a company and is not distorted by the substitution of one type of financing for another. In 1991-92, ROA decreased to 3.29 percent from 3.75 percent in the previous fiscal year. The proportional drop was less than that for net profits due to improved asset turns.

The asset turnover rate rose to 4.27, from 3.91 in the previous year. The increase suggests that the industry is using assets more productively.

Both the current ratio (1.15) and quick ratio (0.34) changed little from previous years. This reflects the fact that the major changes in the balance sheet over the past few years were in the long-term debt section. The proportion of current assets and liabilities has remained stable.

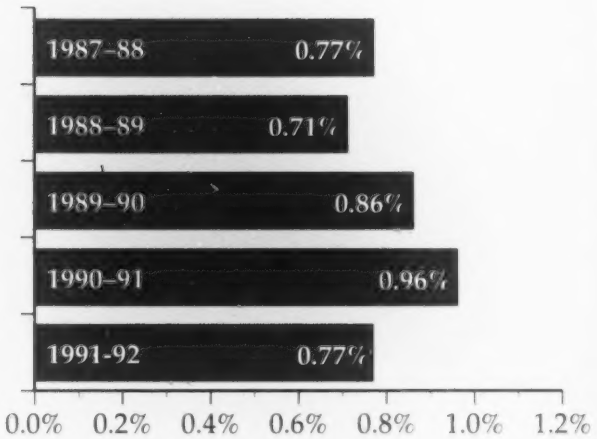
The ability of the industry to cover its interest payments declined slightly during 1991-92. Times interest earned dipped to 2.07, from 2.16 a year earlier. Most of the decline is attributable to lower profitability in 1991-92. Like debt-to-equity, recent times interest earned ratios are quite a bit different than those reported before the LBOs of the late 1980s. Times interest earned was 4.35 in 1985-86 for example.

The following pages explain and illustrate the industry's financial ratios for the past five fiscal years.

KEY FINANCIAL RATIOS

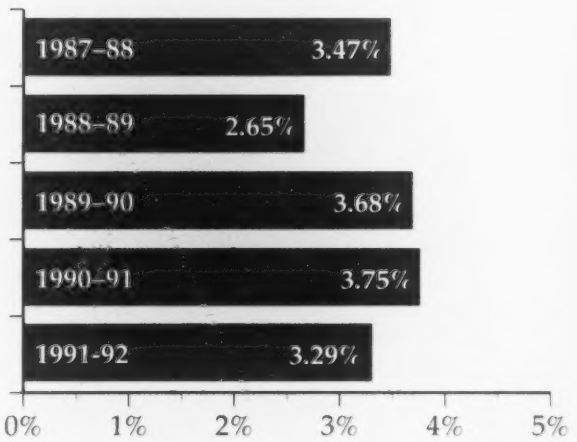
Net profit margin: net income after taxes as a percentage of sales. It measures the portion of the firm's sales dollar left after it pays all expenses, including product costs, and realizes any extraordinary gains or losses.

Net Profit



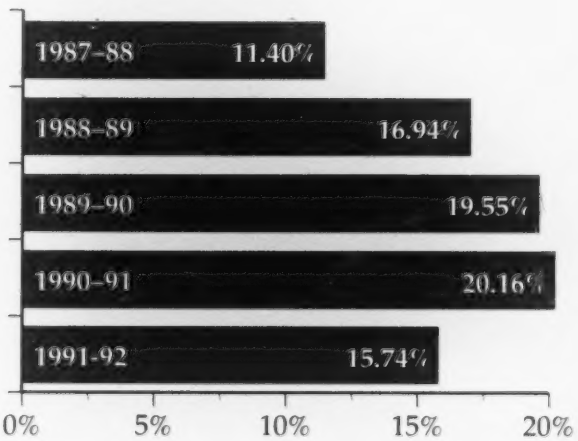
Return on total assets (ROA): net income after taxes as a percentage of total assets. It measures the ability of a company's combined equity capital and debt securities to generate profits. Return on assets reflects the profit generated from the firm's asset base regardless of how it is financed.

Return on Total Assets



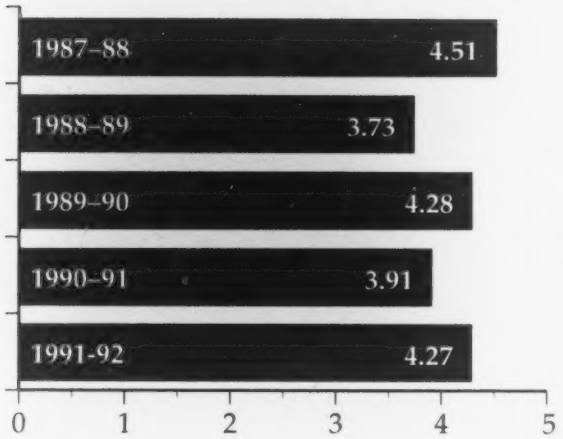
Return on equity (ROE): net income after taxes as a percentage of owner's equity. This relates the earnings of the company specifically to the resources provided by its owners. It reflects how well the firm employs leverage, i.e., funds acquired from outside sources by issuing debt securities.

Return on Equity



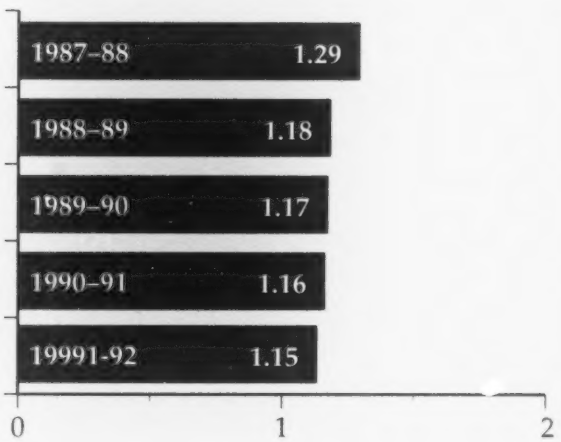
Asset turnover: ratio of total assets into net sales. This measures the firm's ability to use its assets to generate sales.

Asset Turnover



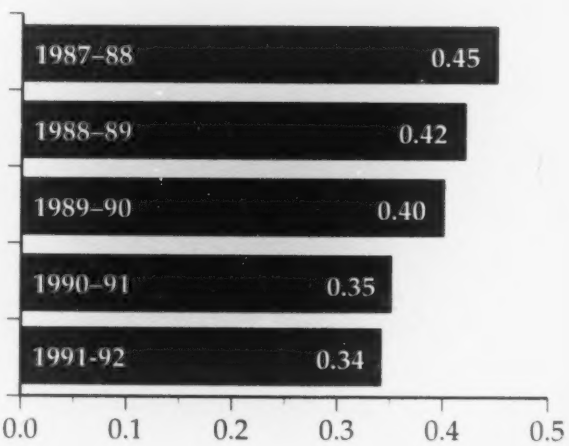
Current ratio: the relationship of current assets to current liabilities. It indicates the ability of a company to meet its current obligations. Included in the computation are such current assets as cash, accounts receivable, total inventory investment in marketable securities, and other current assets. Current liabilities are accounts payable, mortgages, notes and bonds payable in less than one year, income taxes payable, and other current liabilities.

Current Ratio



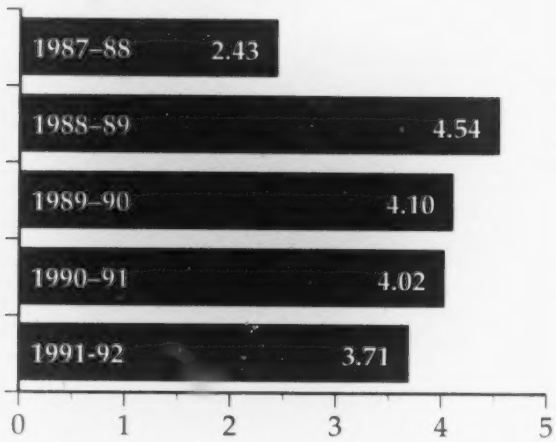
Quick ratio: the relationship between cash, current receivables and marketable securities to current liabilities. It indicates a company's ability to discharge its current obligations without the need to sell off inventories. The calculation is current assets less inventory divided by current liabilities.

Quick Ratio



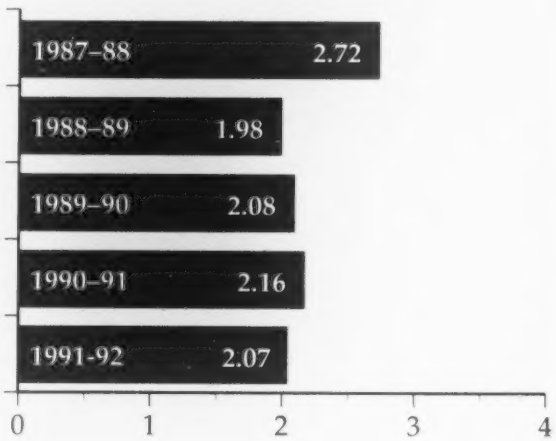
Debt to equity: indicates the degree of dependence on creditors, rather than owners, in providing funds to operate the business — in short, the amount of "trading on the equity." Total liabilities include current liabilities plus loans from banks, mortgages, notes and bonds payable in one year or more; capitalized lease obligations; and other non-current liabilities. Total equity consists of capital stock (common and preferred), paid-in capital surplus and retained earnings, less costs of treasury stock.

Debt to Equity



Times interest earned: the ratio of interest paid into net income before paying both income taxes and interest. The ratio suggests the firm's ability to cover long-term indebtedness. If the times interest earned value is sufficient, the firm should be able to fulfill its interest obligations.

Times Interest Earned



KEY FINANCIAL RATIOS BY COMPANY SIZE

Profit ratios were calculated for two categories of company size based on annual sales.

Less than $100 million
$100 million and over

Profit margins for firms with sales under $100 million averaged 0.86 percent. Of that group, firms under $50 million in sales were the most profitable (1.08 percent). Profit margins for firms grossing more than $100 million fell to 0.74 percent of sales.

Return on total assets was nearly twice as large for the smaller firms: 5.04 percent versus 2.63 percent.

Return on equity rose for the smaller firms to 15.44 percent from 12.84 percent in the previous fiscal year. Larger firms on the other hand experienced a nearly seven percentage point decline from 22.95 percent to 15.85 percent. Most of the changes in financing noted on the previous pages have taken place in larger companies.

Key Financial Ratios by Company Size

Net Profit
Net Profit After Taxes and Extraordinary Items as a Percentage of Sales

	1988-89	1989-90	1990-91	1991-92
Sales Under $100 Million	0.52%	1.00%	0.65%	0.86%
Sales $100 Million and Over	0.80%	0.81%	1.08%	0.74%

Return on Total Assets
Net Profit After Taxes as a Percentage of Total Assets

	1988-89	1989-90	1990-91	1991-92
Sales Under $100 Million	2.71%	5.76%	3.76%	5.04%
Sales $100 Million and Over	2.63%	2.89%	3.75%	2.63%

Return on Equity
Net Profit After Taxes as a Percentage of Equity

	1988-89	1989-90	1990-91	1991-92
Sales Under $100 Million	9.03%	16.89%	12.84%	15.44%
Sales $100 Million and Over	20.37%	20.57%	22.95%	15.85%

TAX RATES

Income Taxes

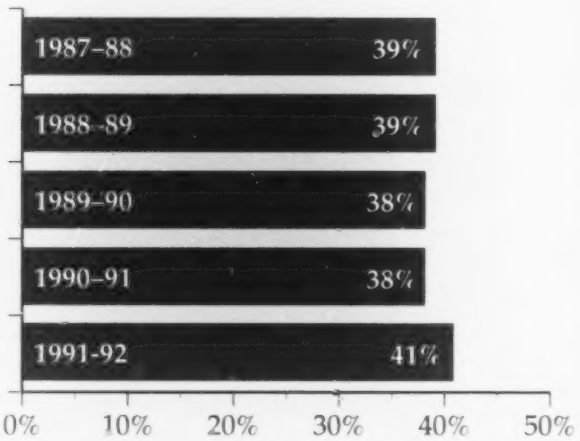
The supermarket industry's effective income tax rate (including federal, state, and local) rose to 41 percent in 1991-92. This is typical of the tax rates experienced during the early 1980s. It follows a period of lower tax rates and relative stability from 1987-91 after the Tax Reform Act of 1986 was implemented. Increases in both the average federal and state tax rates were responsible for the three percentage point gain from the 1990-91 reporting period.

Wage-Based Taxes

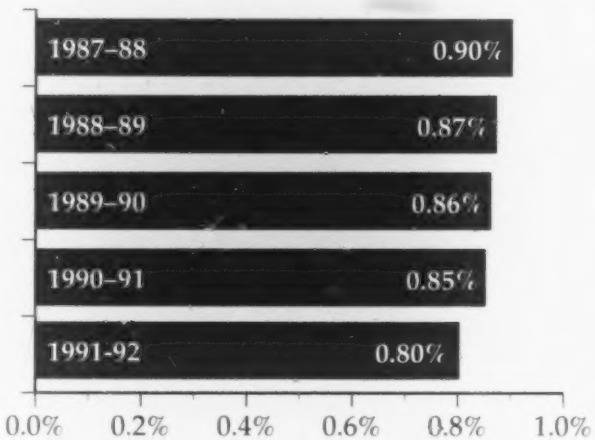
In 1990-91, supermarket employers' FICA tax payments (Social Security) averaged 0.80 percent of sales, down from 0.85 percent in 1990-91. Although lower, these taxes still exceed the net income of supermarkets for 1991-92.

Unemployment tax payments rose modestly to 0.11 percent of sales in 1991-92, from 0.10 percent in the previous year. The results of the last two years, when compared with preceding periods, suggest that the supermarket industry may be maintaining sales with lower total wage costs.

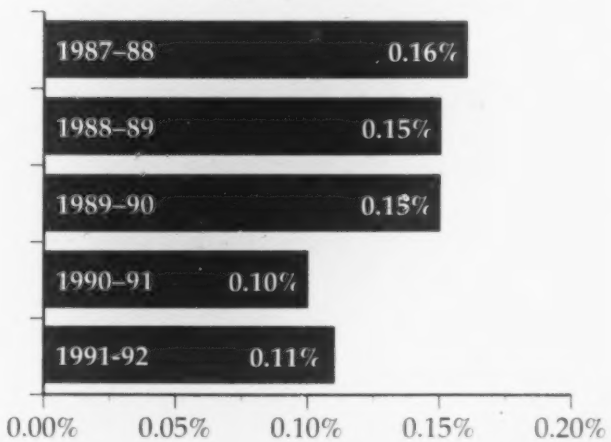
Effective Tax Rate



FICA Tax Payments as a Percentage of Sales



Unemployment Compensation Taxes as a Percentage of Sales



FINANCIAL STATEMENTS

Income Statement

Despite strong competition and a national recession, supermarkets turned in an operating income performance only slightly below the record level of 1990-91. Progress was also made in reducing interest expenses. Largely as a result of lower non-operating revenue, such as income from interest and sales of securities, net income declined from the previous year's results.

Operating income declined only slightly, from 2.61 percent of sales in 1990-91 to 2.52 percent. Current levels remain much higher than in the previous decade when operating income was 1-2 percent range.

The industry is bringing interest expense under control. For the first time since the early 1980s, the interest expense level actually declined — from 1.35 percent of sales in 1990-91 to 1.25 percent. Of course, this decline was helped by a reduction in the cost of capital. Still, the level remains much higher than those in the mid-1980s, suggesting that many supermarket companies are investing in their stores to improve their competitive position rather than to significantly pay down debt.

Miscellaneous "other income" dropped sharply accounting for most of the decline in net income from 1990-91. One factor may be that companies are paring back their cash position and marketable securities. The Statement of Cash Flows (see p. 18) indicates that the industry had about 13 percent less cash available at the end of the year than at the beginning. It also indicates that cash was raised by selling off investments such as marketable securities. Much of this cash was spent on improving plant, property and equipment.

Total taxes paid declined slightly from the previous year in response to lower income levels, although the effective tax *rate* was higher. Extraordinary items reduced net income.

Overall, net income declined to 0.77 percent of sales in 1991-92, from 0.96 percent. Continued good operating income performance, however, may provide the basis for future gains in profitability.

Balance Sheet

Assets

In 1991-92 current assets declined to 37.39 percent of total assets, about two percentage points below the previous year. There were significant decreases in cash and marketable securites.

Total property and equipment continued to grow, now exceeding three-fourths of asserts (excluding reserves for depreciation). Competitive pressures are requiring increased investment in stores, as are lower returns on alternative investments. The individual categories of land, buildings, fixtures and equipment, and leasehold improvements all showed moderate gains. After deducting reserves for depreciation, net property and equipment represented 47.60 percent of assets in 1991-92 — up from 44.76 percent in 1990-91.

Miscellaneous "other assets" declined slightly from the previous year to 15.01 percent of assets. This remains higher than historical levels and likely reflects some of the balance sheet adjustments resulting from merger and acquisition activity of a few years ago.

Liabilities and Equity

The 1991-92 period showed some improvements in the liabilities and equity portions of the balance sheet. Overall, total liabilities declined to 78.77 percent of assets, from 80.09 percent in 1990-91. Of course, total equity gained this difference and strengthened the position of the owners. It should be noted, however, that the current structure of the balance sheet remains

much different from that prior to 1988. For example, the equity portion of the balance sheet was almost 40 percent in the 1985-86 fiscal year.

Current liabilities fell to 32.58 percent of assets in 1991-92, from 33.94 the preceding year. Short-term notes and accounts payable declined, as did current income taxes payable.

Long-term debt moderated to 43.15 percent of assets, compared with 43.69 percent in 1990-91. Mortgage debt posted a solid drop. Bank loans increased significantly while debt from bonds and debentures declined by almost an equal measure.

Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows provides insights into short-term liquidity, long-term solvency and general operating performance. It presents net cash influxes and outlays at the end of the fiscal year as a percentage of the cash available at the outset. Because of the wide range of sources and uses of funds, more conclusions can be drawn from activities within a given year than changes between fiscal years.

The Statement of Cash Flows for 1991-92 reflects supermarket companies' efforts to 1) remain competitive and 2) pay down the debt accrued during the late 1980s.

As in the past two years, net cash flow provided by operating activities supported investing and financing activities. Most of the cash generated by operating activities came from net income and depreciation. Increased inventories continued to more than offset increased accounts payable, which may affect industry liquidity. Overall, operating activities provided the equivalent of 320.42 percent of the total cash available at the beginning of the year.

A major portion (227.80 percent) of that cash flow was used to purchase plant, property and equipment. Retailers may be investing in their stores and other properties in order to stay competitive in difficult economic times. Eliminating long-term debt used the second largest portion, 89.68 percent. Dividends paid were also significant at 49.72 percent.

The industry raised cash by issuing common stock, bringing in the equivalent of 38.30 percent. The decrease in marketable securities in the balance sheet is reflected by the cash raised from selling investments (7.55 percent).

Overall investing and financing activities used the equivalent of 333.05 percent of the cash available at the beginning of the year. The net result was a cash loss of 12.63 percent over the year.

Statement of Changes in Stockholders' Equity

The Statement of Changes in Stockholders' Equity provides additional perspective on the equity portion of the balance sheet. The data appear as a percentage of stockholders' equity at the beginning of the year. As with the statement on cash flows, changes within a single year are more meaningful than those between years.

Total stockholder equity increased 22.23 percent during fiscal 1991-92. Most of this change was due to net income increasing retained earnings, but there was also a significant amount of additional paid-in capital for the industry.

As a percentage of equity at year-end, all classes of stock (preferred, common and treasury) lost ground to the category of additional paid-in capital. Retained earnings declined to 58.53 percent of equity at the end of 1991-92, from 63.36 percent at the beginning.

Income Statement

Income Statement for Supermarket Companies (In Percentages; Sales = 100%)

	1987-88	1988-89	1989-90	1990-91	1991-92
Sales	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Sales and Operating Expenses	98.01	98.01	97.55	97.39	97.48
Operating Income	1.99	1.99	2.45	2.61	2.52
Interest Expenses	0.87	1.13	1.33	1.35	1.25
Other Income	0.38	0.25	0.31	0.30	0.12
Income Before Taxes and Extraordinary Items	1.50	1.11	1.43	1.56	1.39
Total Taxes on Income	0.59	0.43	0.54	0.59	0.57
Extraordinary Items (Net)	(0.14)	0.03	(0.03)	(0.01)	(0.05)
Net Income	0.77%	0.71%	0.86%	0.96%	0.77%

Balance Sheets

End-of-Year Balance Sheet for Supermarket Companies
(In Percentages; Total Assets = 100%)

ASSETS

	1987-88	1988-89	1989-90	1990-91	1991-92
Current Assets					
Cash	5.10%	4.93%	4.77%	4.34%	3.22%
Accounts Receivable	3.67	4.07	4.41	3.89	4.61
Marketable Securities	2.32	1.70	1.77	1.20	0.71
Inventory (Note A)	30.95	26.01	26.69	27.56	26.39
Other Current Assets	5.28	3.76	2.78	2.39	2.46
Total Current Assets	47.32	40.47	40.42	39.38	37.39
Property and Equipment (Note B)					
Land	3.74	4.19	4.30	4.70	5.30
Buildings	19.17	18.47	16.65	20.29	21.75
Fixtures and Equipment	40.71	38.94	41.11	39.79	40.91
Leasehold Improvements	9.36	9.92	10.89	10.08	10.55
Total Property and Equipment	72.98	71.52	72.95	74.86	78.51
Reserves for Depreciation	(29.50)	(26.48)	(27.01)	(30.10)	(30.91)
Net Property and Equipment	43.48	45.04	45.94	44.76	47.60
Other Assets	9.20	14.49	13.64	15.86	15.01
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Note A: Some firms value at least part of their inventory on a LIFO (last-in, first-out) basis.

Note B: Property under capitalized leases is included in the appropriate property categories based on the type of property leased.

End-of-Year Balance Sheet for Supermarket Companies
(In Percentages; Total Assets = 100%)

LIABILITIES					
Current Liabilities	**1987-88**	**1988-89**	**1989-90**	**1990-91**	**1991-92**
Notes Payable	4.63%	5.33%	4.56%	3.69%	**3.31%**
Accounts Payable	**18.38**	**18.92**	**19.46**	**19.71**	**18.32**
Income Taxes Payable	0.85	0.86	0.88	0.68	**0.57**
Other Current Liabilities	12.76	9.08	9.61	9.86	**10.38**
Total Current Liabilities	36.62	34.19	34.51	33.94	**32.58**
Long-Term Debt					
Mortgages	6.69	7.49	7.07	8.78	**6.36**
Bank Loans	7.45	18.32	15.96	10.01	**16.14**
Bonds and Debentures	8.18	10.54	10.89	16.06	**11.41**
Capitalized Lease Obligations	5.39	5.01	5.37	5.09	**4.91**
Other Non-Current Liabilities	2.33	2.95	3.28	3.75	**4.33**
Total Long-Term Debt	30.04	44.31	42.57	43.69	**43.15**
Deferred Liabilities	4.22	3.45	3.32	2.46	**3.04**
Total Liabilities	70.88	81.95	80.40	80.09	78.77
EQUITY					
Common Stock Outstanding on Proprietorship	3.44	2.48	2.48	2.80	**2.07**
Preferred Stock Outstanding	1.25	1.34	0.68	0.79	**0.57**
Paid-in Surplus	4.65	4.45	4.65	5.09	**6.47**
Retained	22.59	11.81	13.47	12.53	**13.70**
Treasury Stock	(2.81)	(2.03)	(1.67)	(1.30)	**(1.58)**
TOTAL EQUITY	29.12	18.05	19.60	19.91	21.23
TOTAL LIABILITIES AND EQUITY	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows for Supermarket Companies
(In Percentages; Cash at Beginning of Year = 100%)

CASH FLOWS FROM OPERATING ACTIVITIES	1989-90	1990-91	1991-92
Net Income	81.68%	81.80%	99.94%
Adjustments to Reconcile Net Income to Net Cash Provided by Operations			
Depreciation and Amortization	163.53	131.33	223.20
Deferred Income Tax	0.65	(0.31)	(1.43)
Other Adjustments	22.19	19.73	40.44
(Increase) Decrease in:			
Trade Accounts Receivable	(10.23)	(0.11)	(13.08)
Inventories	(54.69)	(33.57)	(39.09)
Prepaid Expenses	1.11	1.73	(3.87)
Other Current Assets	8.84	0.05	(4.43)
Increase (Decrease) in:			
Trade Accounts Payable	43.27	24.34	17.12
Accrued Expenses	18.43	6.13	7.02
Income Taxes Payable	4.79	0.53	(9.64)
Other Current Liabilities	6.10	1.17	4.24
NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES	285.67%	232.82%	320.42%

Consolidated Statement of Cash Flows for Supermarket Companies
(In Percentages; Cash at Beginning of Year = 100%)

CASH FLOWS FROM INVESTING ACTIVITIES	1989-90	1990-91	1991-92
Net Sales (Purchase) of Plant, Property and Equipment	(222.65)%	(156.45)%	(227.80)%
Net Sale (Purchase) of Investment	(28.25)	(4.47)	7.55
Other Investing Activities	8.44	(4.13)	(1.45)
NET CASH PROVIDED BY (USED BY) INVESTING ACTIVITIES	(242.46)	(165.05)%	(221.70)%
CASH FLOW FROM FINANCING ACTIVITIES			
Increase (Decrease) in Short-Term Borrowing	9.39	(20.89)	(0.35)
Increase (Decrease) in Long-Term Debt	15.21	(17.14)	(89.68)
Increase (Decrease) of Capital Lease Obligations	(14.14)	(6.48)	(11.48)
Proceeds From Issuing (Purchase) of Common Stock	8.21	0.20	38.30
Dividends Paid	(29.98)	(24.67)	(49.72)
Other Financing Activities	(41.57)	7.45	1.58
NET CASH PROVIDED BY (USED BY) FINANCING ACTIVITIES	(52.88)	(61.53)%	(111.35)
NET INCREASE (DECREASE) IN CASH	(9.67)	6.24	(12.63)
CASH AT BEGINNING OF YEAR	100.00	100.00	100.00
CASH AT END OF YEAR	90.33%	106.24%	87.37%

Statement of Changes in Stockholders' Equity

Statement of Changes in Stockholders' Equity for Supermarket Companies
(In Percentages; Total Stockholders' Equity at Beginning of Year = 100%)

Beginning of Year	**1989-90**	**1990-91**	**1991-92**
Preferred Stock	1.81%	5.38%	2.53%
Common Stock	15.81	14.82	13.41
Additional Paid-In Capital	36.59	30.93	32.39
Retained Earnings	47.50	59.37	62.88
Treasury Stock	(2.29)	(9.23)	(9.80)
Other	0.58	(1.27)	(1.41)
Total Stockholders' Equity	100.00%	100.00%	100.00%
Changes During Year			
Preferred Stock	(0.49)	(0.11)	(0.07)
Common Stock	0.31	1.14	1.66
Additional Paid-In Capital	3.76	1.77	11.34
Net Income	14.55	23.96	19.91
Dividends	(3.42)	(6.17)	(8.50)
Treasury Stock	0.41	(0.36)	0.40
Other	(1.63)	(2.93)	(2.51)
Total Change	13.49%	17.30%	22.23%

Statement of Changes in Stockholders' Equity for Supermarket Companies
(In Percentages; Total Stockholders' Equity at Beginning of Year = 100%)

End-of-Year Balance	1989-90	1990-91	1991-92
Preferred Stock	1.32%	5.27%	2.46%
Common Stock	16.12	15.96	15.07
Additional Paid-In Capital	40.35	32.70	43.73
Retained Earnings	57.28	74.33	71.54
Treasury Stock	(1.88)	(9.59)	(9.40)
Other	0.30	(1.37)	(1.17)
Total Stockholders' Equity	113.49%	117.30	122.23%

Percentage of Equity at End of Year	1989-90	1990-91	1991-92
Preferred Stock	1.16%	4.49%	2.01%
Common Stock	14.20	13.61	12.33%
Additional Paid-In Capital	35.56	27.88	35.78
Retained Earnings	50.47	63.36	58.53
Treasury Stock	(1.65)	(8.18)	(7.69)
Other	0.26	(1.16)	(0.96)
Total Stockholders' Equity	100.00%	100.00%	100.00%

A 20-YEAR REVIEW

FMI has been reporting on the financial state of the supermarket industry since 1972. By looking at these data historically, long-term trends can be identified and a greater perspective developed. On this special anniversary, FMI presents a retrospective look at the last 20 years.

The supermarket industry has generally been characterized by stability and consistency in performance throughout this time period. With the exception of only a few years, net income has remained in the 0.50-1.00 percent of sales range. The most profitable years were in the mid-1980s when net earnings exceeded 1.10 percent.

Structural changes have occurred over the last two decades. Operating income has about doubled as a percentage of sales. Offsetting that gain, however, is increased interest expense. In 1972 interest payments represented only 0.20 percent of sales, compared with 1.25 percent in 1991-92.

The balance sheet has changed as well. Current assets have declined from about 55 percent of total assets to about 37 percent. Reductions in cash and inventory held are the main reasons. Meanwhile, net property and equipment has grown from about 39 percent of assets to 48 percent of assets as competitive pressures continue to require more store investment.

The liability side of the ledger has changed. Although current liabilities have remained remarkably consistent, long-term debt grew significantly at the expense of net worth — from about 17 percent of assets in 1972 to about 43 percent in 1991-92. During this time, net worth fell from about 46 percent to 21 percent of total asset equivalence.

The shift from equity- to debt-financing was common in the United States during the 1980s as many companies became more highly leveraged. In the last few years, however, supermarket industry debt and interest expense have stabilized and even declined.

Historical Balance Sheet Items

End-of-Year Balance Sheets for Supermarket Companies (In Percentage's Total Assets =100%)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
ASSETS										
CURRENT ASSETS										
Cash	7.80%	7.50%	7.50%	8.50%	8.50%	8.90%	7.60%	6.50%	6.86%	8.03%
Accounts Receivable	5.00%	4.20%	5.00%	4.90%	4.90%	4.20%	4.30%	3 10%	3.65%	4.12%
Marketable Securities	1.90%	2.00%	3.00%	3.60%	3.60%	2.90%	3.70%	2.80%	3.13%	2.72%
Inventory	36.70%	38.90%	39.50%	36.90%	36.80%	35.30%	34.70%	35.00%	35.26%	35.10%
Other Assets	3.70%	3.60%	3.20%	3.20%	3.20%	3.00%	2.50%	3.00%	3.31%	2.53%
TOTAL CURRENT ASSETS	55.10%	56.20%	58.20%	57.10%	57.00%	54.30%	52.80%	50.40%	52.21%	52.50%
PROPERTY & EQUIPMENT										
Land	3.20%	3.20%	2.90%	2.90%	3.00%	3.70%	2.70%	3.60%	2.32%	2.30%
Buildings	10.20%	10.30%	10.30%	10.20%	10.20%	16.80%	22.70%	20.00%	21.86%	14.43%
Fixtures & Equipment	49.30%	48.70%	46.90%	45.90%	46.00%	43.60%	41.20%	40.50%	39.73%	40.94%
Leasehold Improvements	6.80%	6.80%	7.10%	7.70%	7.60%	7.20%	6.70%	7.30%	7.29%	9.62%
TOTAL PROPERTY & EQUIPMENT	69.50%	69.00%	67.20%	66.70%	66.80%	71.30%	73.30%	71.40%	71.20%	67.29%
Reserves for Depreciation	(30.80%)	(30.60%)	(30.90%)	(29.80%)	(29.80%)	(30.70%)	(31.70%)	(28.00%)	(28.51%)	(26.01%)
NET PROPERTY & EQUIPMENT	38.70%	38.40%	36.30%	36.90%	37.00%	40.60%	41.60%	43.40%	42.69%	41.28%
OTHER ASSETS	6.20%	5.40%	5.50%	6.00%	6.00%	5.10%	5.60%	6.20%	5.10%	6.22%
TOTAL ASSETS	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

	1982	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
ASSETS										
CURRENT ASSETS										
Cash	7.10%	6.66%	6.26%	5.17%	5.66%	5.10%	4.93%	4.77%	4.34%	3.22%
Accounts Receivable	3.80%	4.33%	4.24%	3.91%	4.24%	3.67%	4.07%	4.41%	3.89%	4.61%
Marketable Securities	3.26%	2.78%	3.35%	2.76%	3.52%	2.32%	1.70%	1.77%	1.20%	0.71%
Inventory	33.29%	31.47%	31.66%	31.92%	27.35%	30.95%	26.01%	26.69%	27.56%	26.39%
Other Assets	4.38%	3.64%	2.94%	3.45%	3.16%	5.28%	3.76%	2.78%	2.39%	2.46%
TOTAL CURRENT ASSETS	51.83%	48.88%	48.45%	47.21%	43.93%	47.32%	40.47%	40.42%	39.38%	37.3%
PROPERTY & EQUIPMENT										
Land	2.32%	2.93%	3.80%	3.92%	3.59%	3.74%	4.19%	4.30%	4.70%	5.30%
Buildings	18.78%	21.85%	21.62%	18.79%	20.95%	19.17%	18.47%	16.65%	20.29%	21.75%
Fixtures & Equipment	40.83%	44.07%	43.52%	47.88%	38.56%	40.71%	38.94%	41.11%	39.79%	40.91%
Leasehold Improvements	7.30%	10.08%	10.35%	9.77%	10.73%	9.36%	9.92%	10.89%	10.08%	10.55%
TOTAL PROPERTY & EQUIPMENT	69.23%	78.93%	79.29%	80.36%	73.83%	72.98%	71.52%	72.95%	74.86%	78.51%
Reserves for Depreciation	(30.80%)	(33.23%)	(33.18%)	(33.93%)	(30.94%)	(29.50%)	(26.48%)	(27.01%)	(30.10%)	(30.91%)
NET PROPERTY & EQUIPMENT	38.70%	45.70%	46.11%	46.43%	42.89%	43.48%	45.04%	45.94%	44.76%	47.60%
OTHER ASSETS	8.27%	5.42%	5.44%	6.36%	13.18%	9.20%	14.49%	13.64%	15.86%	15.01%
TOTAL ASSETS	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Historical Balance Sheet Items

(In Percentages: Total Assets = 100%)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
LIABILITIES & NET WORTH										
CURRENT LIABILITIES										
Notes Payable	3.30%	3.40%	2.90%	2.60%	2.70%	2.90%	2.70%	4.00%	2.39%	2.23%
Accounts Payable	23.30%	24.80%	26.00%	25.30%	24.70%	23.90%	23.40%	24.00	21.62%	22.14%
Income Taxes Payable	1.40%	1.60%	1.60%	2.10%	1.80%	1.50%	2.00%	1.40%	1.57%	1.60%
Other Liabilities	6.50%	6.40%	7.80%	7.50%	8.00%	7.60%	7.90%	7.90%	12.41%	13.70%
TOTAL CURRENT LIABILITIES	34.50%	36.20%	38.30%	37.50%	37.20%	35.90%	36.00%	37.30%	37.99%	39.67%
LONG TERM DEBT										
Mortgages	3.90%	3.80%	3.30%	4.70%	4.70%	5.30%	5.30%	6.00%	6.50%	3.81%
Bank Loans	6.90%	6.70%	5.70%	3.60%	6.10%	2.80%	4.80%	4.80%	4.84%	6.46%
Bonds & Debentures	3.50%	4.20%	3.80%	2.60%	2.30%	1.80%	2.90%	2.60%	1.00%	1.56%
Capitalized Lease Obligations	—	—	—	—	—	5.30%	7.90%	8.50%	9.37%	6.83%
Other Non-Current Liabilities	2.80%	3.20%	2.80%	3.40%	2.10%	3.30%	3.20%	2.10%	2.75%	3.14%
TOTAL LONG TERM DEBT	17.10%	17.90%	15.60%	14.30%	15.20%	18.50%	24.10%	24.00%	24.46%	21.80%
DEFERRED LIABILITIES	2.50%	2.60%	2.90%	2.50%	2.70%	2.70%	1.40%	1.30%	2.97%	1.56%
TOTAL LIABILITIES	54.10%	56.70%	56.80%	54.30%	55.10%	57.10%	61.50%	62.60%	65.42%	63.03%
EQUITY										
Common Stock Outstanding or Proprietorship	7.90%	7.10%	6.80%	6.80%	6.80%	6.80%	4.80%	5.80%	4.54%	8.35%
Preferred Stock Outstanding	0.50%	0.50%	0.60%	0.70%	0.80%	1.10%	0.80%	0.80%	0.80%	1.05%
Paid-In Surplus	8.10%	7.80%	8.60%	8.50%	7.80%	7.90%	6.80%	4.90%	5.74%	6.32%
Retained Earnings	30.70%	29.20%	28.50%	31.20%	31.20%	28.50%	27.30%	26.50%	24.17%	22.72%
Treasury Stock	(1.30%)	(1.30%)	(1.30%)	(1.50%)	(1.70%)	(1.40%)	(1.20%)	(0.60%)	(0.67%)	(1.47%)
TOTAL NET WORTH	45.90%	43.30%	43.20%	45.70%	44.90%	42.90%	38.50%	37.40%	34.58%	36.97%
TOTAL LIABILITIES & EQUITY	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Historical Balance Sheet Items

	1982	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
LIABILITIES & NET WORTH										
CURRENT LIABILITIES										
Notes Payable	3.16%	2.12%	2.17%	2.71%	5.25%	4.63%	5.33%	4.56%	3.69%	3.31%
Accounts Payable	20.82%	22.68%	23.39%	21.63%	19.00%	18.38%	18.92%	19.46%	19.71%	18.32%
Income Taxes Payable	1.26%	1.35%	1.19%	1.48%	1.69%	0.85%	0.86%	0.88%	0.68%	0.57%
Other Liabilities	13.31%	10.40%	10.18%	9.78%	12.87%	12.76%	9.08%	9.61%	9.86%	10.38%
TOTAL CURRENT LIABILITIES	38.55%	36.55%	35.93%	35.60%	38.81%	36.62%	34.19%	34.51%	33.94%	32.58%
LONG TERM DEBT										
Mortgages	5.38%	4.80%	5.57%	6.11%	10.07%	6.69%	7.49%	7.07%	8.78%	6.36%
Bank Loans	4.61%	4.67%	6.78%	6.95%	5.18%	7.45%	18.32%	15.96%	10.01%	16.14%
Bonds & Debentures	3.81%	2.72%	2.54%	3.37%	4.37%	8.18%	10.54%	10.89%	16.06%	11.41%
Capitalized Lease Obligations	7.50%	8.59%	7.35%	5.90%	5.36%	5.39%	5.01%	5.37%	5.09%	4.91%
Other Non-Current Liabilities	3.00%	2.69%	3.16%	2.61%	2.40%	2.33%	2.95%	3.28%	3.75%	4.33%
TOTAL LONG TERM DEBT	24.30%	23.47%	25.40%	24.94%	27.38%	30.04%	44.31%	42.57%	43.69%	43.15%
DEFERRED LIABILITIES	2.01%	2.48%	1.81%	2.83%	3.19%	4.22%	3.45%	3.32%	2.46%	3.04%
TOTAL LIABILITIES	64.86%	62.50%	63.14%	63.37%	69.38%	70.88%	81.95%	80.40%	80.09%	78.77%
EQUITY										
Common Stock Outstanding or Proprietorship	4.95%	4.19%	3.62%	3.95%	3.74%	3.44%	2.48%	2.48%	2.80%	2.07%
Preferred Stock Outstanding	0.96%	0.65%	1.00%	0.77%	1.17%	1.25%	1.34%	0.68%	0.79%	0.57%
Paid-In Surplus	5.81%	4.98%	5.61%	4.87%	4.27%	4.65%	4.45%	4.64%	5.09%	6.47%
Retained Earnings	24.76%	29.39%	27.94%	28.87%	24.39%	22.59%	11.81%	13.47%	12.53%	13.70%
Treasury Stock	(1.37%)	(1.71%)	(1.31%)	(1.83%)	(2.95%)	(2.81%)	(2.03%)	(1.67%)	(1.30%)	(1.58%)
TOTAL NET WORTH	35.14%	37.50%	36.86%	36.63%	30.62%	29.12%	18.05%	19.60%	19.91%	21.23%
TOTAL LIABILITIES & EQUITY	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Historical Income Statements

Income Statement for Supermarket Companies (In Percentages; Sales = 100%)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Sales and Operating Expenses	98.95	98.80	98.44	98.54	98.55	98.81	98.13	98.11	98.20	98.62
Operating Income	1.05	1.20	1.56	1.46	1.45	1.19	1.87	1.89	1.80	1.38
Interest Expense	0.20	0.25	0.25	0.23	0.19	0.23	0.37	0.52	0.60	0.51
Other Income	0.20	0.15	0.18	0.30	0.23	0.28	0.28	0.24	0.36	0.55
Income before Taxes & Extraordinary Items	1.05	1.10	1.49	1.53	1.49	1.24	1.78	1.61	1.56	1.42
Total Taxes on Income	0.40	0.50	0.60	0.67	0.62	0.54	0.78	0.64	0.55	0.53
Extraordinary Items	(0.09)	0.03	(0.20)	(0.03)	(0.01)	0.02	0.02	0.01	(0.04)	—
Net Income	0.56	0.63	0.69	0.83	0.86	0.72	1.02	098	0.97	0.89

	1982	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Sales and Operating Expenses	98.24	98.20	98.12	97.84	97.86	98.01	98.01	97.55	97.39	97.48
Operating Income	1.76	1.80	1.88	2.16	2.14	1.99	1.99	2.45	2.61	2.52
Interest Expense	0.48	0.46	0.52	0.55	0.61	0.87	1.13	1.33	1.35	1.25
Other Income	0.34	0.36	0.43	0.23	0.20	0.38	0.25	0.31	0.30	0.12
Income before Taxes & Extraordinary Items	1.62	1.70	1.79	1.84	1.73	1.50	1.11	1.43	1.56	1.39
Total Taxes on Income	0.57	0.71	0.74	0.68	0.74	0.59	0.43	0.54	0.59	0.57
Extraordinary Items	0.01	0.02	0.10	0.03	0.13	(0.14)	0.03	(0.03)	(0.01)	(0.05)
Net Income	1.06	1.01	1.15	1.19	1.12	0.77	0.71	0.86	0.96	0.77

Industry Average Financial Ratios

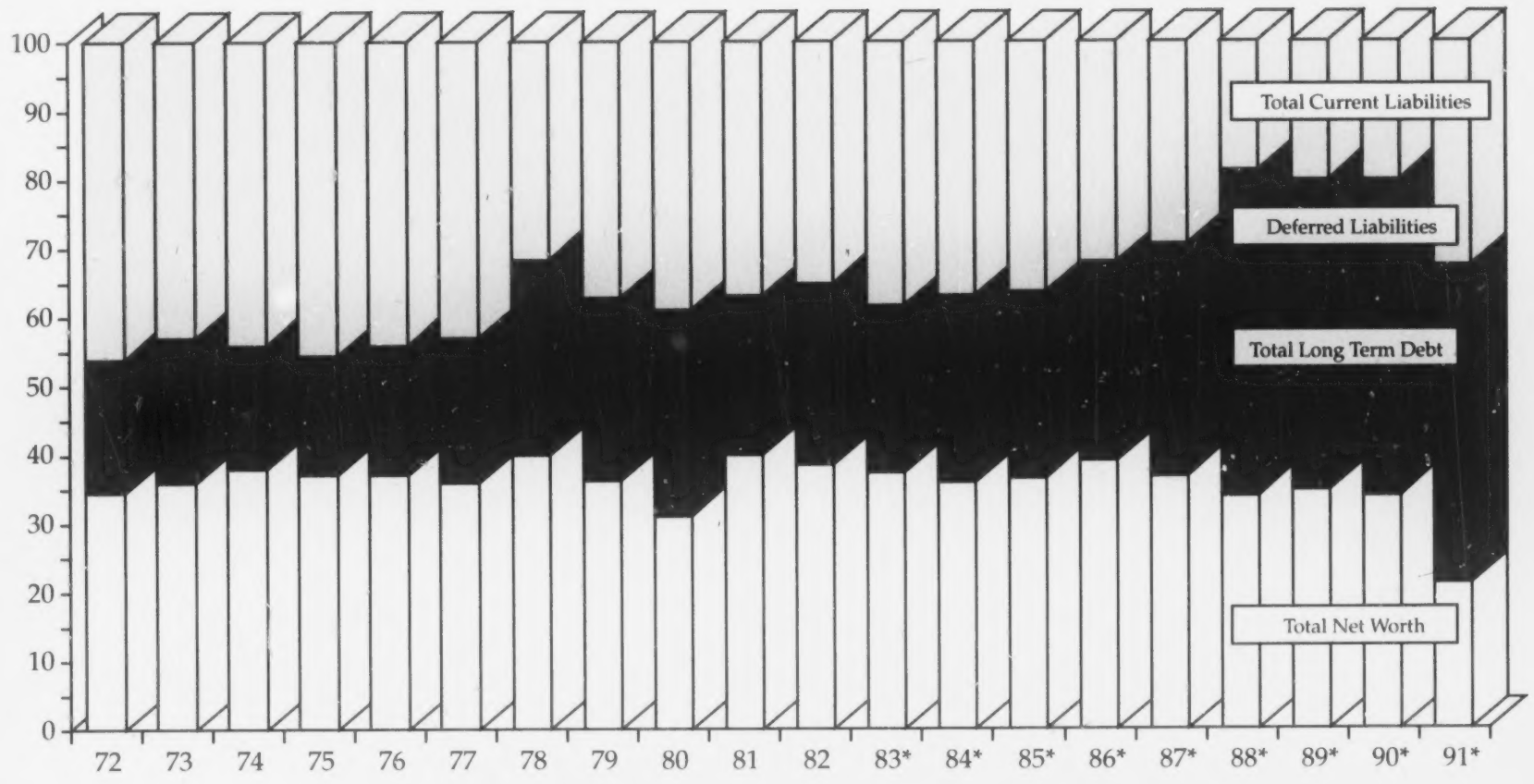
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
Profit Margin	0.50%	0.61%	0.69%	0.88%	0.86%	0.72%	1.02%	0.98%	0.98%	0.89%
Return on Assets	3.70%	4.60%	5.20%	6.50%	6.20%	5.20%	6.80%	7.10%	6.60%	5.00%
Return on Equity	6.50%	8.60%	10.00%	12.40%	12.10%	9.90%	14.60%	14.40%	13.80%	13.39%

	1982	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Profit Margin	1.06%	1.05%	1.15%	1.19%	1.12%	0.77%	0.71%	0.86%	0.96%	0.77%
Return on Assets	5.40%	5.08%	5.35%	5.80%	5.07%	3.47%	2.65%	3.68%	3.75%	3.29%
Return on Equity	15.08%	13.92%	14.88%	15.82%	16.24%	11.40%	16.94%	19.55%	20.16%	15.74%

Note: See pages 7-9 for definitions and further explanation of these ratios.

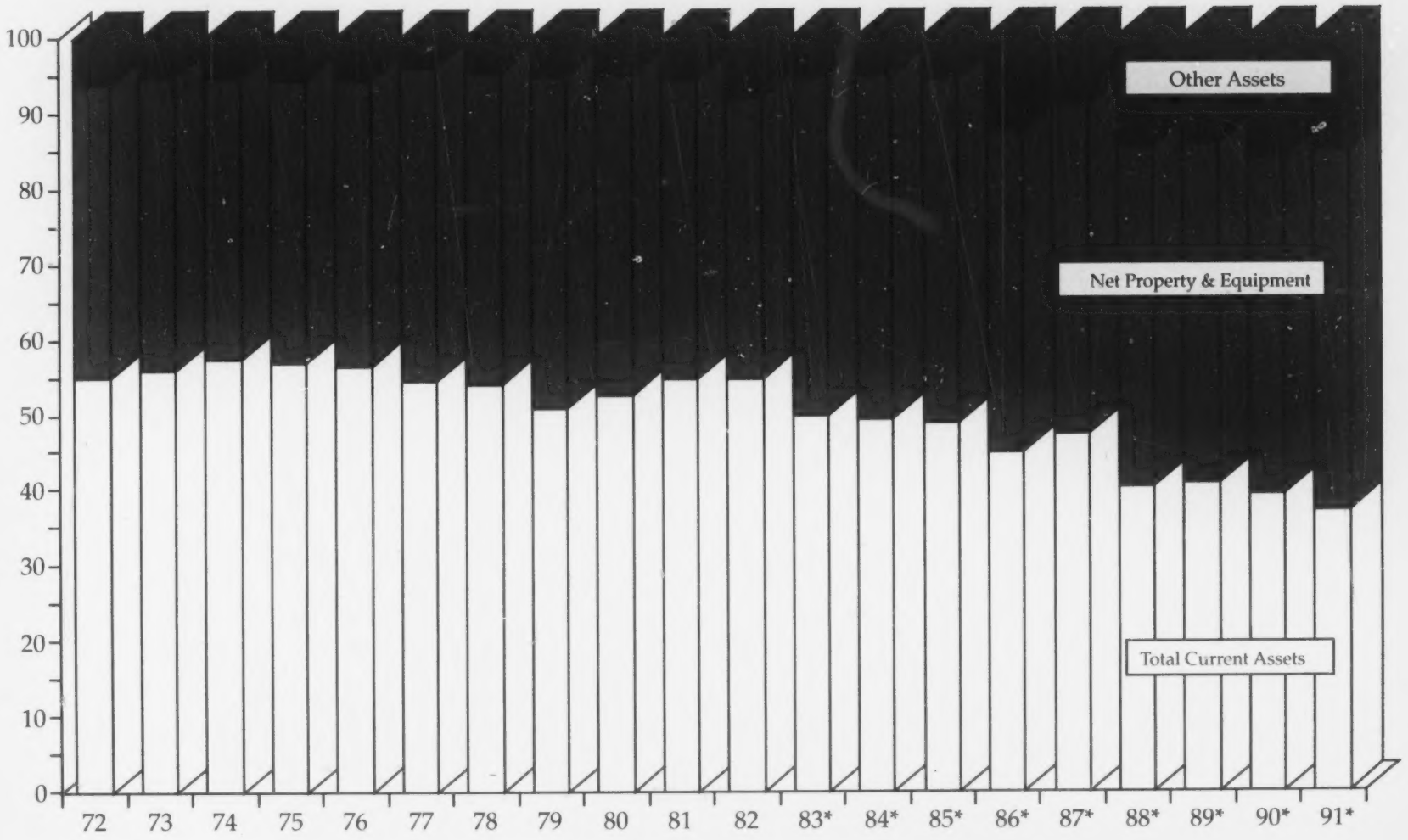
Historical Balance Sheet Data

% of Liabilities and Equity



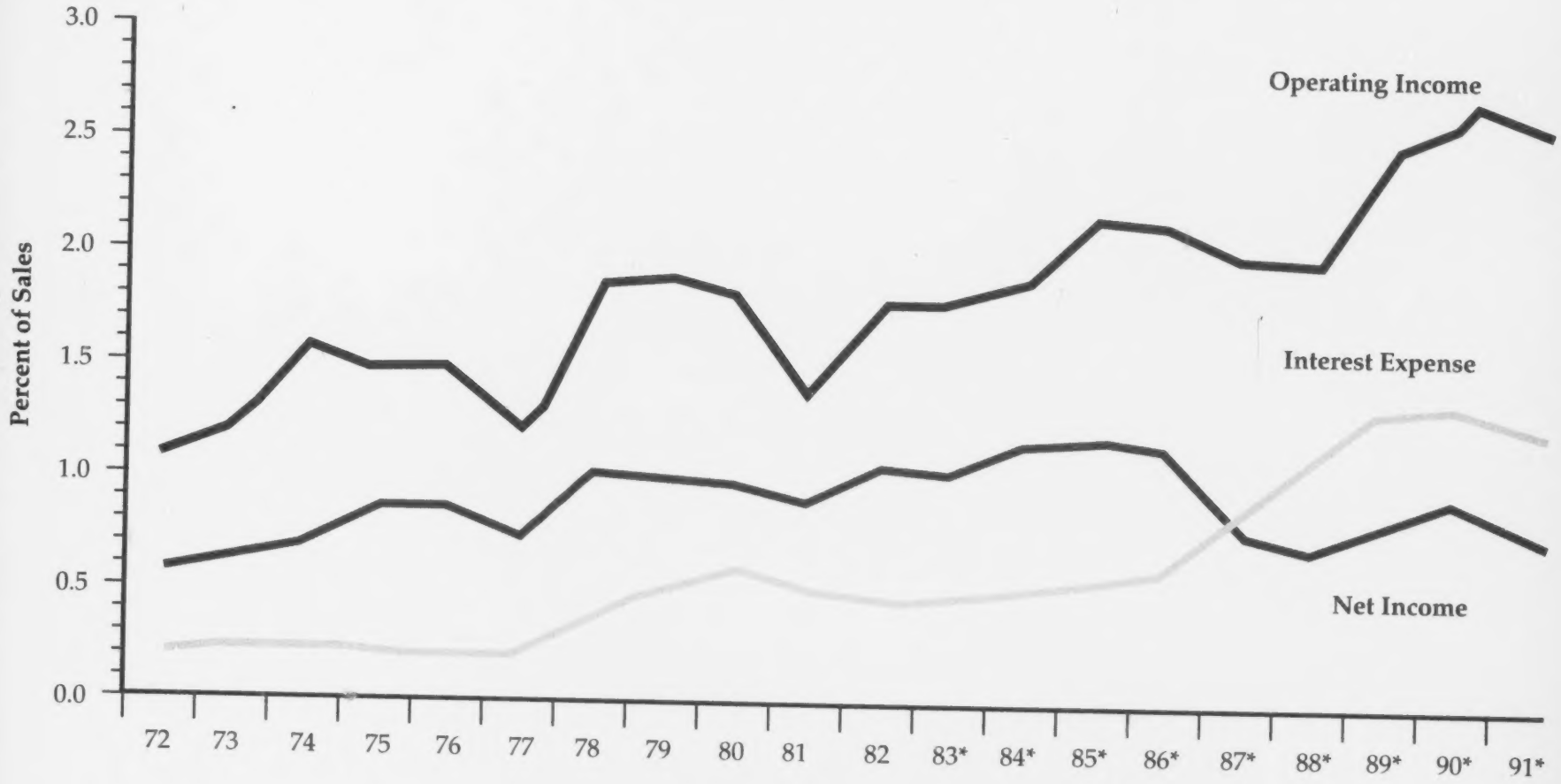
*Note: Prior to 1983, data were accumulated by calendar year. Beginning in 1983, data were accumulated from April 1 to March 31 of the following year.

Historical Balance Sheet Data



*Note: Prior to 1983, data were accumulated by calendar year. Beginning in 1983, data were accumulated from April 1 to March 31 of the following year.

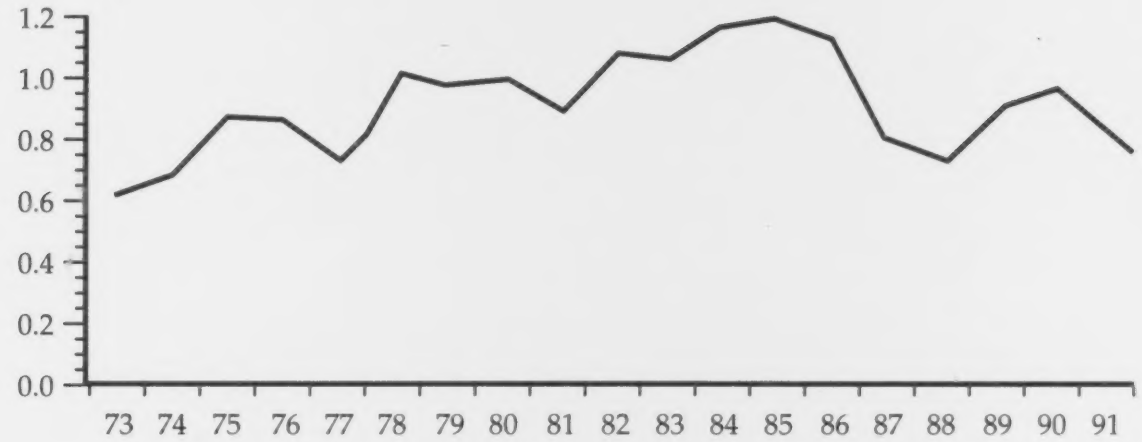
Historical Income Statement Data



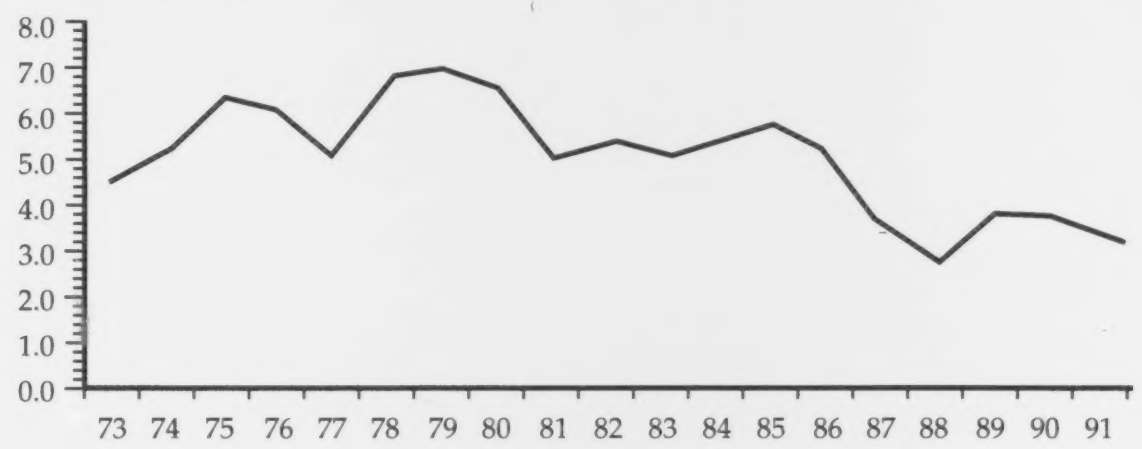
*Note: Prior to 1983, data was accumulated by calendar year. Beginning in 1983, data was accumulated from April 1 to March 31 of the following year.

Key Industry Average Financial Ratios

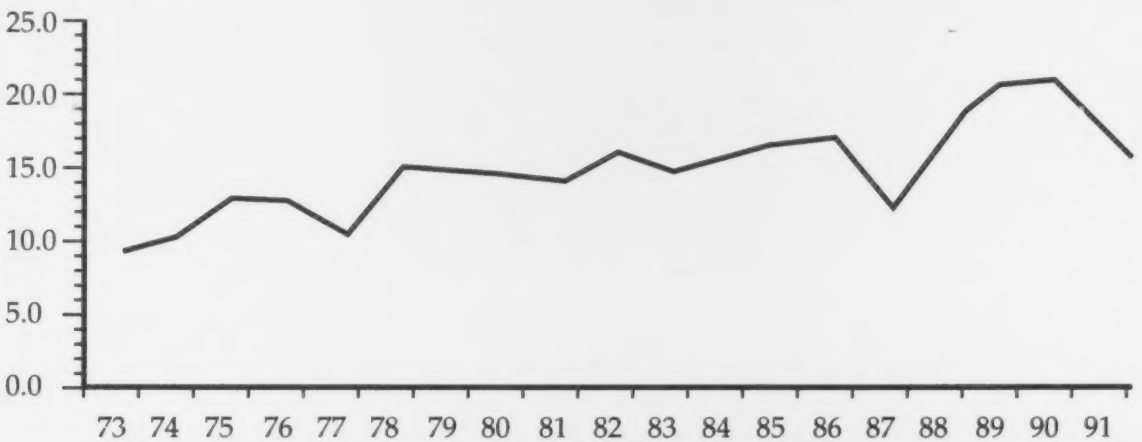
Profit Margin %



Return on Total Assets



Return on Equity



*Note: Prior to 1983, data were accumulated by calendar year. Beginning in 1983, data were accumulated from April 1 to March 31 of the following year.

APPENDIX

The U.S. Economic Environment

The recession that began in late 1990 continued to affect the nation's economy. The Gross Domestic Product (GDP)*, the current barometer of the U.S. economic condition, showed that the economy actually shrank 0.7 percent in 1991. This marked the second year of little or no growth.

Unemployment in the United States continued to grow during 1991. It averaged 6.6 percent for the year — the highest point for several years — compared with 5.4 percent a year earlier.

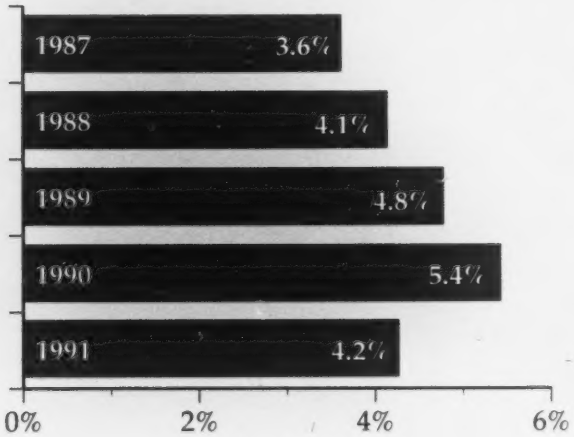
General consumer inflation, as measured by the Consumer Price Index (CPI) for urban consumers, averaged a moderate 4.2 percent during 1991. This was the lowest level since 1988 and was probably affected by the recession. The inflation rate for food consumed at home dropped sharply, from 7.3 percent in 1990 to 2.6 percent.

The relatively low inflation rates and the state of the economy resulted in cuts in the prime interest rate. The annualized prime interest rate for 1991 was 8.5 percent — or about a 1.5 percentage point drop from the previous year.

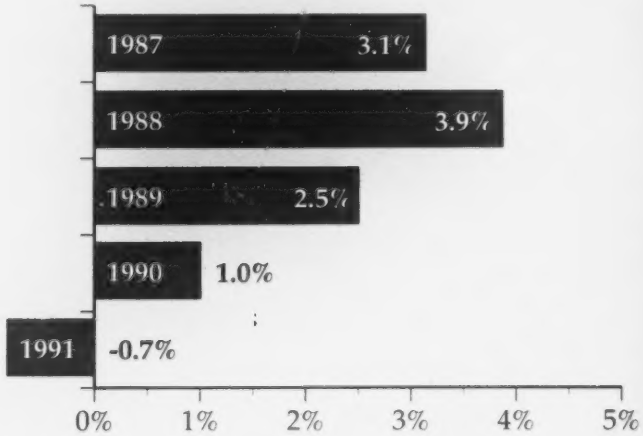
The average yield for long-term U.S. Treasury bonds declined as well, though less than the drop in the prime rate — leaving open the prospect of higher inflation rates in the future.

The stock market had a good year, gaining an average of 9 percent from the 1990 level. Corporate profits varied widely by company, declining 3 percent overall, according to the U.S. Department of Commerce.

CPI Change for All Urban Consumers

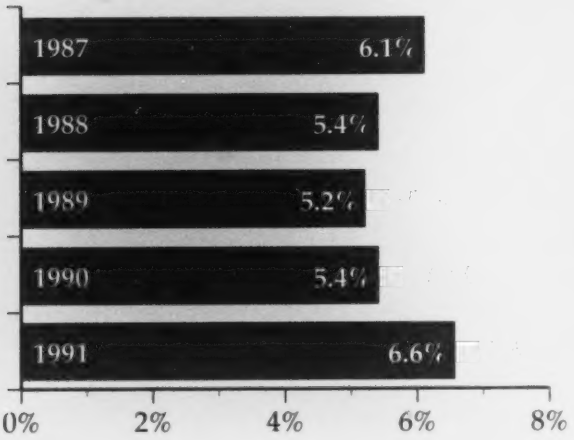


U.S. GDP Change

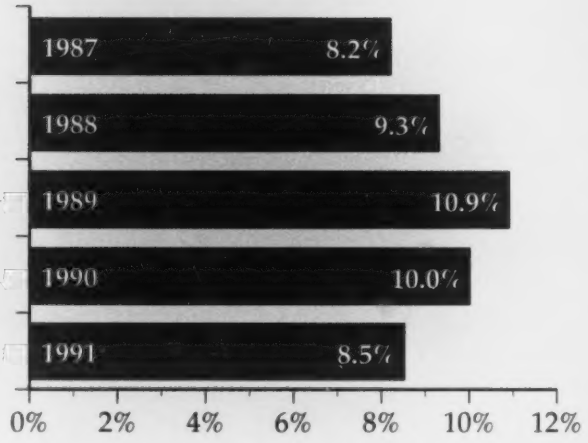


*The GDP has replaced the Gross National Product (GNP) as the reporting statistic for the national output of goods and services. Numerical variations between the two over the last several years have been relatively minor.

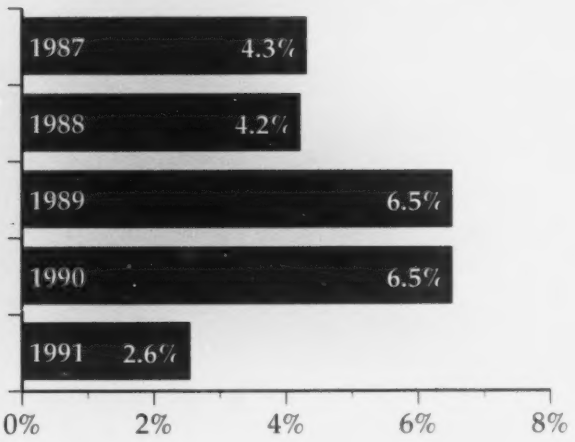
U.S. Unemployment Rate



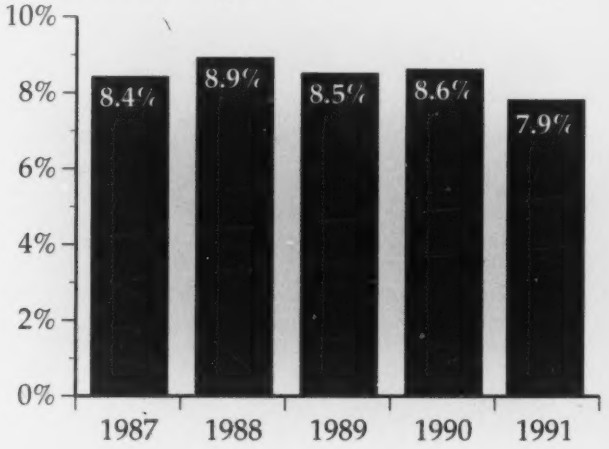
Prime Interest Rate



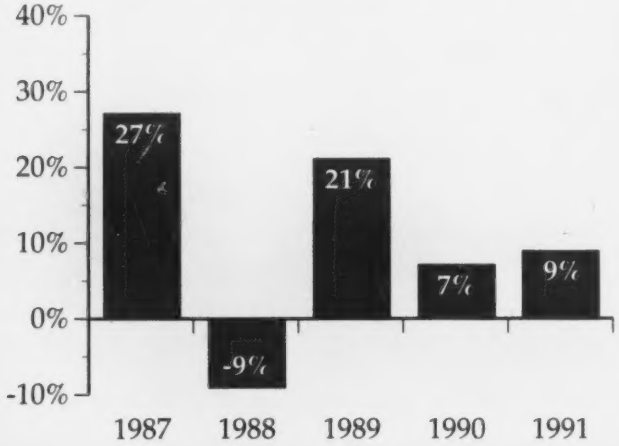
CPI Change for Food at Home



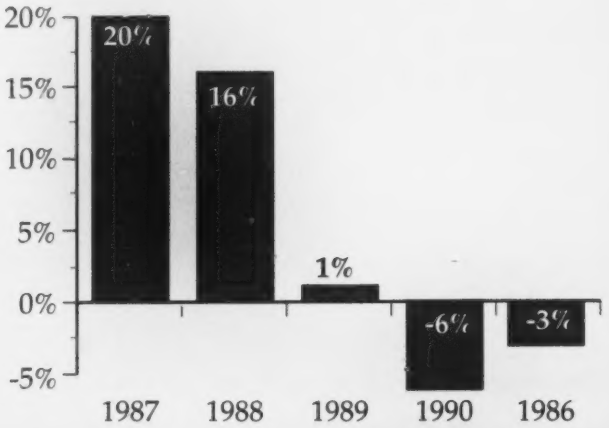
Average Yield of Long-term U.S. Treasury Bonds



Stock Market Performance
(Percentage Change in DJIA)



Corporate Profits
(Percentage Change)



Definitions

Selected Income Statement Captions

Sales represent all sales reported by supermarket companies.

Cost of Sales and Operations Expenses includes the cost of merchandise sold by supermarkets, plus all other expenses to operate stores, distribution facilities and the central offices.

Interest expense includes all interest charges on short- or long-term debt and on capital lease obligations.

Other income includes all non-operating income (e.g., interest income, gain on sales of securities).

Total taxes on income are the federal and state taxes imposed on the supermarket companies based on net income as reported to the government.

Extraordinary items include all infrequent or unusual financial events, including net operating loss carryforwards to the current period.

Selected Balance Sheet Captions

Inventory includes all goods held for sale by supermarket companies. Some firms value inventories on a first-in, first-out basis (FIFO). Others use a last-in, first-out basis (LIFO) valuation. The *Review* records the inventories as reported by the surveyed companies.

Other current assets include those (except inventory) with a defined life of less than one year (e.g., cash accounts receivable, prepaid expenses and short-term investments).

Net property and equipment covers all property, plant and equipment, including capital leases less accumulated depreciation and amortization.

Other assets include all assets (except property and equipment) with a defined life of more than one year (e.g., investments in other companies, long-term receivables).

Current liabilities include all debts and expenses due within one year (e.g., accounts payable, accrued liabilities, current portions of long-term debt).

Long-term liabilities include all debt and expenses due after one year (e.g., long-term debt, capital lease obligations, deferred taxes). Equity is the difference between total assets and total liabilities. It typically comprises stock, paid-in surplus and retained earnings less treasury stock.

Methodology

The *Review* relied on two primary sources of data: a survey mailed to the FMI members and annual 10-K reports filed with the Securities and Exchange Commission (SEC).

For 1991-92, much of the financial data came from the companies that responded to the survey. Data were not used for any company with sales of less than $2 million per store. Only firms with at least 50 percent of revenue generated from supermarket operations were included in the sample.

In all, data were collected from 126 companies that operate 11,316 supermarkets, accounting for $158 billion in sales. The sample included 61 companies with sales of less than $100 million and 65 with sales of $100 million or more.

The sample size in this survey varies from year to year, especially among the smaller firms. Some annual changes in the profitability may be due to a change in the companies that respond.

The *Review* sampled supermarket companies. These may obtain some revenues from sources other than supermarket operations. In the 1991-92 sample, companies with sales of less than $100 million generated 98.5 percent of their revenues through supermarkets. On average, the firms with sales of at least $100 million generated 93.8 percent of their revenues from supermarkets.

Financial data were collected for company fiscal years ending between April 1, 1991, and March 31, 1992. To develop the industry averages, data from each respondent were weighted by the firm's annual sales. Means were calculated for each category and weighted using data from the 1987 Census of Retail Trade. The industry average is based on a weighted average of two groups: companies with sales below $100 million and those with sales of at least $100 million. The census data appear in the table on the following page. The stratification and weighting of data help eliminate year-to-year changes that result from changes in the survey sample.

This method of developing average financial estimates for supermarket companies provides the best published measurement of trends in the supermarket industry's capital structure. It does not, however, eliminate all problems caused by changes in sample size and varying fiscal year end-points, which are inherent in a survey of this type.

The weightings from the Census of Retail Trade are not reflected in each annual sales category. In the averages for each annual sales breakout, the individual data are weighted only by the companies' annual sales.

Supermarket Population Based on 1987 Census of Retail Trade*

Firm Sales (millions)	Percentage of Total Firms	1987 Sales	Percentage of Total Sales
Less than $100	97.3%	$68,099,426	27.63%
$100 and over	2.7%	$178,409,579	72.37%
TOTAL	100.0%	$246,509,005	100.0%

*SOURCE: U.S. Department of Commerce, Bureau of the Census (latest data available)

Results for Annual Sales Used in Weighting All-Industry Data

Firm Sales (millions)	Net Profit	Return on Total Assets	Return on Equity
Less than $100	0.86%	5.04%	15.44%
$100 and over	0.74%	2.63%	15.85%
Industry Average	0.77%	3.29%	15.74%

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This new study examines membership club stores, deep discount drug stores and mass merchants selling grocery items. Includes a national consumer survey, the history and growth of these formats, questions these competitors raise for manufacturers and distributors, and the strategic responses available to supermarket operators.
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Consumer Research

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The Service Advantage 1992: How to Win and Influence Customers — NEW!
This new study is the second part of a joint project between *Better Homes & Gardens* and FMI to determine how important 36 different service attributes are to consumers. The study examines the differences among demographic groups and establishes a hierarchy of service characteristics.
Price: FMI Members and Non-members: $30

How Consumers are Shopping the Supermarket
This study provides valuable data on consumer shopping patterns, including how shopping behavior varies by store size and how customers shop different departments.
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Non-members: $30

Consumer Attitudes Toward Supermarket Pharmacies
This recent study focuses on the changing retail pharmacy environment, including consumer perceptions of the relationship between the pharmacy, health and beauty care products (HBC) and the overall store.
Price: FMI Members: $15
Non-members: $30

Trends: Consumer Attitudes & the Supermarket, 1992
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Non-members: $50

The Green Shopping Revolution: How Solid Waste Issues are Affecting Consumer Behavior
Price: FMI Members and Non-members: $30

Dinnertime USA
How to cash in on the dining-at-home trend.
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Targeting Food Customers
A comprehensive guide to using secondary research for the smaller or mid-size retailer.
Price: FMI Members: $15
Non-members: $30

Building a Competitive Advantage for Supermarkets in Health & Beauty Care — NEW!
This study provides a better understanding of how consumers shop for HBC in competitive markets, including market areas with aggressive discount operators such as mass merchandisers and wholesale clubs. The report identifies possible strategies for building a competitive HBC advantage.
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Financial Studies

Operating Results of Independent Supermarkets
A managerial tool to help retailers evaluate store operating results.
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This easy-to-use software package can calculate valuable profit ratios and productivity figures.
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Annual report for the supermarket industry.
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Micro-Merchandising: Targeted Consumer and Category Merchandising
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Non-members: $30

Perspectives on Electronic Marketing
Price: FMI Members: $15
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Practical guidelines for developing an effective annual business meeting.
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